

## Message Text

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21

ORIGIN EB-12

INFO OCT-01 AF-10 ARA-16 EA-11 EUR-25 NEA-14 RSC-01 IO-14

ISO-00 FEA-02 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

FRB-03 H-03 INR-11 INT-08 L-03 LAB-06 NSAE-00 NSC-07

PA-04 AID-05 CIEP-03 SS-20 STR-08 TAR-02 TRSE-00

USIA-15 PRS-01 SP-03 OMB-01 SWF-02 /233 R

DRAFTED BY EB/OT/GCP:DTMORRISON/EB/ITP:MGLITMAN:DI

APPROVED BY EB/ITP:MGLITMAN

AGRICULTURE:JSTARKEY

COMMERCE:GBARE

STR:AMBASSADOR MALMGREN

TREASURY:MCHAVES

EUR/RPE:JMCCARTHY

L/EB:GROSEN

AF/EPS:RDUNCAN

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R 042328Z OCT 74

FM SECSTATE WASHDC

TO USMISSION EC BRUSSELS

INFO USMISSION OECD PARIS

USMISSION GENEVA

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY THE HAGUE

AMEMBASSY BONN

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E.O. 11652: N/A

TAGS:GATT, ETRD, EC

SUBJECT:EC-ACP ASSOCIATION: HANDLING GATT ISSUES

REFS: A) EC BRUSSELS 7004; B) EC BRUSSELS 7227;

C) STATE 171057

1. REFTELS AND INFORMAL MALMGREN-GUNDELACH CONVERSATION INDICATE EC THINKING ON GATT PRESENTATION OF EC-ACP ASSOCIATION BEGINNING TO GEL ALONG LINES OF WORKING PARTY APPROACH WHICH ALSO SEEMS MOST PRACTICAL APPROACH TO US. WE BELIEVE (AS DENMAN IMPLIED), HOWEVER, THAT PRIMARY RESPONSIBILITY FOR DEVELOPING ACCEPTABLE GATT APPROACH AND SELLING IT TO THIRD COUNTRIES RESTS WITH EC AND ACP'S WITH LATTER TAKING LEAD WITH LDCS. ASSUMING WE CAN ACCEPT EVOLVING EC-ACP AGREEMENT AND EC PROPOSAL FOR GATT HANDLING WE WILL, AS STATED PREVIOUSLY, SUPPORT EC-ACP EFFORTS IN GATT.

2. FROM U.S. STANDPOINT, ARTICLE XXV WAIVER WOULD BE BEST SOLUTION. HOWEVER, WE RECOGNIZE THAT EC FINDS THIS UNACCEPTABLE. GUNDELACH SAID EC WOULD NOT REQUEST A WAIVER OR REFER TO ARTICLE XXIV BUT WOULD REFER TO ACTIONS TAKEN TO ASSIST LDC'S CONSISTENT WITH THE SPIRIT OF PART IV OF GATT. WE WOULD HAVE DIFFICULTIES WITH ANY ATTEMPT TO LEGITIMATIZE EC-ACP PREFERENCES UNDER ARTICLE XXIV AND/OR SPECIFIC LEGAL REFERENCE TO PART IV, NEITHER OF WHICH LENDS ITSELF TO SUCH ARRANGEMENTS. WE

WOULD THUS SUPPORT PROCEDURAL APPROACH WHICH WOULD PROVIDE PRACTICAL SOLUTION WHILE NOT UNDERMINING IMPORTANT GATT ARTICLES.

3. CAREFULLY ORCHESTRATED APPROACH TO WORKING PARTY TREATMENT OF EC-ACP ARRANGEMENT COULD HOPEFULLY BE WORKED OUT WHICH WOULD AVOID LEGAL ISSUES BUT PERMIT SUBSEQUENT REVIEW OF THE ARRANGEMENT AND ITS PRACTICAL IMPACT ON TRADE. IN THIS CONNECTION, GUNDELACH SAID EC WOULD HOPE THAT WORKING PARTY WOULD NOT TAKE POSITION ON CONSISTENCY OF ARRANGEMENT WITH GATT. HE ALSO CAUTIONED U.S. AGAINST PUSHING TOO HARD FOR ANY SPECIFIC REVIEW PROCEDURE AT THIS TIME. NEVERTHELESS, WE INTEND MAKE POINT ON REVIEW AT LIMITED OFFICIAL USE

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APPROPRIATE TIME IF WORKING PARTY APPROACH AGREED ON.

4. OUR OBJECTIVES IN THIS AREA ARE: A) TO HELP ALONG PROCESS OF REMOVING REVERSE PREFERENCE, B) TO STEER EC THINKING AWAY FROM APPROACHES IN THIS PROCESS WHICH WE CONSIDER MOST DAMAGING TO GATT AND TO FUTURE U.S. TRADE INTERESTS AND, IN THE PROCESS, C) TO SEEK CLEAREST POSSIBLE UNDERSTANDING THAT EC WILL BE HELPFUL IN SEEKING

SOLUTIONS TO ANY SPECIFIC PROBLEMS CAUSED TO US  
SUPPLIERS BY SPECIAL PREFERENCES.

5. WITH REGARD POINT C, MISSION SHOULD EMPHASIZE TO EC  
THAT U.S. WILLINGNESS TO COOPERATE PRAGMATICALLY WITH  
EC ON GATT LEGAL ISSUE IS FOUNDED ON BASIS OF SATIS-  
FACTORY ASSURANCES ALREADY RECEIVED ON NON-RECIPROCITY  
AND GEOGRAPHIC LIMITS OF EC-ACP ASSOCIATIONS (REF, C  
PARA 1) AND ON PRESUMPTION THAT EC WILL ALSO TAKE  
PRAGMATIC APPROACH TO RESOLVING ANY SPECIFIC TRADE  
PROBLEMS WHICH SPECIAL PREFERENCES COULD CREATE  
FOR U.S. SUPPLIERS.

6. WE WOULD BE INTERESTED IN KNOWING ABOUT ANY  
  
REACTIONS EC HAS RECEIVED THUS FAR FROM THIRD COUNTRIES  
(DEVELOPED AND DEVELOPING) ON GATT-LEGAL ASPECTS OF  
ASSOCIATION. WE DO NOT BELIEVE THERE IS PRESENT NEED  
FOR INITIATIVES BY INFO ADDRESSEE POSTS WITH EC  
MEMBER STATES. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, TARIFF NEGOTIATIONS, MEETINGS, FOREIGN POLICY POSITION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 04 OCT 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE219975  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DTMORRISON/EB/ITP:MGLITMAN:DI  
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**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740282-1054  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t19741070/aaaachyl.tel  
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**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Review Authority:** golinofr  
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**TAGS:** ETRD, EEC, ACP  
**To:** EC BRUSSELS  
**Type:** TE  
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